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8 **UNITED STATES DISTRICT COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**

10 THE TRAVELERS INDEMNITY  
11 COMPANY OF CONNECTICUT,

12 Plaintiff,

13 v.

14 MUHLHAUSER STEEL, INC., *et al.*,

15 Defendants.  
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} Case No. 2:24-cv-01913-CV (ADSx)

} **ORDER DENYING MUHLHAUSER**  
} **STEEL, INC.'S MOTION TO STAY**  
} **[DOC. # 29]**

1 On January 22, 2025, Defendant Mulhauser Steel, Inc. (“Mulhauser”) filed a  
2 motion to stay this case pending the resolution of related state-court proceedings (Doc. #  
3 29) (“Motion”), a supporting memorandum of points and authorities (Doc. # 29-1), a  
4 Request for Judicial Notice (Doc. # 29-2), and a supporting declaration of Paul C. Hirst  
5 (Doc. # 29-3). On the same day, Defendant Angeles Contractor, Inc. (“ACI”) filed a  
6 joinder requesting that the Motion be granted (Doc. # 31)<sup>1</sup> with a supporting declaration  
7 of Jon S. Brick (Doc. # 31-1). Plaintiff The Travelers Indemnity Company of Connecticut  
8 (“Travelers”) filed an opposition to the Motion on February 6, 2025 (Doc. # 35), a  
9 supporting declaration of Lindsee B. Falcone (Doc. # 35-1), and evidentiary objections to  
10 the declaration of Jon S. Brick (Doc. # 35-2).<sup>2</sup> Mulhauser filed a reply brief on February  
11 13, 2025. Doc. # 36.

12 The Court finds that oral argument is not necessary to resolve the Motion. *See* Fed.  
13 R. Civ. P. 78(b); Local Rule 7-15; *Willis v. Pac. Mar. Ass’n*, 244 F.3d 675, 684 n. 2 (9th  
14 Cir. 2001). Having considered the briefing and all related Court filings, the Motion is  
15 **DENIED** as detailed below.

### 16 INTRODUCTION

17 Travelers is a Connecticut company with its principal place of business in  
18 Connecticut, and Mulhauser and ACI (collectively, “Defendants”) are California  
19 corporations with principal places of business in California. Compl. ¶¶ 1–3; Doc. # 28  
20 [Mulhauser Answer to Travelers’ Complaint] ¶¶ 1–3; Doc. # 30 [ACI’s Answer to  
21 Travelers’ Complaint] ¶¶ 1–3, 5. Travelers alleges that “the matter in controversy  
22 exceeds, exclusive of costs and interests, two-hundred and fifty thousand dollars  
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25 <sup>1</sup> ACI’s January 22, 2025 filing was entered on the docket as a “Notice of Motion and Motion for  
26 Joinder in [the Motion]” but is more appropriately understood as a response to the Motion. *See* Doc. #  
27 31 (“Joinder”). The Court has considered ACI’s Joinder, and for the same reasons discussed in this  
Order, ACI’s request that the entire case should be stayed is **DENIED**.

28 <sup>2</sup> To the extent the Court relies on the Declaration of Jon S. Brick, the Court **OVERRULES** Travelers’  
evidentiary objections.

1 (\$250,000).” Compl. ¶ 5. Accordingly, this Court has original jurisdiction under 28  
2 U.S.C. § 1332 because this is a civil action between citizens of different states in which  
3 the amount in controversy exceeds \$75,000.

### 4 **BACKGROUND**

5 This is an insurance coverage action related to a pending case in Orange County  
6 Superior Court, *Angeles Contractor, Inc. v. Mulhauser Steel, Inc. et al.*, Case No. 30-  
7 2021-01211990-CU-BC-CJC (the “Underlying Action.”). ACI initiated the Underlying  
8 Action on July 23, 2021 and filed the operative first amended complaint on November  
9 12, 2021. Doc. # 29-2 (“Mulhauser RJN”) Ex. A at pp. 2, 10.<sup>3</sup> Doc. In the Underlying  
10 Action, ACI asserts claims against Mulhauser for breach of written contract, enforcement  
11 of performance bond, and negligence, alleging, *inter alia*, that Mulhauser provided  
12 defective work and/or failed to perform work as a steel subcontractor on two ACI public  
13 works construction projects. *Id.* at pp. 4–10 [¶¶ 9, 11–14, 15–41].

14 On September 3, 2024, Travelers filed the operative complaint in this case naming  
15 Muhlhauser and ACI as defendants and asserting three causes of action: (1) Declaratory  
16 Relief—Duty to Defend; (2) Declaratory Relief—Duty to Indemnify; and (3)  
17 Reimbursement. Doc. # 1 (“Compl.”) ¶¶ 22–38. Travelers alleges that, subject to a  
18 reservation of rights, it agreed to defend Mulhauser in the Underlying Action pursuant to  
19 two insurance policies (the “Policies”). *Id.* ¶ 20. Through this action, it seeks a judicial  
20 declaration that it has no obligation under the Policies to indemnify Mulhauser for  
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22 <sup>3</sup> Mulhauser asks the Court to take judicial notice of (1) excerpts of ACI’s operative, First Amended  
23 Complaint in the Underlying Action and (2) Travelers’ Complaint filed in this action. Mulhauser RJN at  
24 2. Neither Travelers nor ACI object to either request. “The court may judicially notice a fact that is not  
25 subject to reasonable dispute because it . . . can be accurately and readily determined from sources  
26 whose accuracy cannot reasonably be questioned.” Fed. R. Evid. 201(b) & (c). In the Ninth Circuit,  
27 “court filings and other matters of public record” are sources whose accuracy cannot reasonably be  
28 questioned for the purposes of Rule 201. *Reyn’s Pasta Bella, LLC v. Visa USA, Inc.*, 442 F.3d 741, 746  
n.6 (9th Cir. 2006). “The court . . . must take judicial notice if a party requests it and the court is  
supplied with the necessary information.” Fed. R. Evid. 201(c)(2). The pleadings subject to Mulhauser’s  
request for judicial notice are readily verifiable and, therefore, the proper subject of judicial notice.  
Accordingly, Mulhauser’s request for judicial notice of these court filings is **GRANTED**.

1 damages in the Underlying Action, and that even if it owed an indemnity obligation to  
2 Mulhauser in the Underlying Action, this obligation would be limited to a single  
3 occurrence limit under the Policies. Compl. Prayer. Mulhauser also seeks reimbursement  
4 for the cost of defending Mulhauser in the Underlying Action. *Id.*

5 Mulhauser now moves to stay this case until the Underlying Action is resolved,  
6 arguing that the dispute with Travelers turns on disputed facts being litigated in the  
7 Underlying Action, and that Mulhauser will be prejudiced by being forced to wage a  
8 “two-front war” here and in the Underlying Action. Doc. # 29-1 at 6.

9 The parties disagree about which legal standard applies to Mulhauser’s Motion.  
10 Mulhauser seeks a stay pursuant to *Landis v. N. Am. Co.*, 299 U.S. 248 (1936)  
11 (hereinafter “*Landis*”), which contemplates the court exercising its inherent authority to  
12 stay an action while an independent but related proceeding is resolved. Doc. # 29-1 at  
13 12–22. Travelers argues that the more exacting *Colorado River Water Conservation*  
14 *Dist. v. United States*, 424 U.S. 800, 817 (1976) (hereinafter “*Colorado River*”) provides  
15 the applicable standard, and that the Court cannot issue a stay pursuant to *Landis* if the  
16 *Colorado River* test is not met. Doc. 35 at 8–9. In its Reply, Mulhauser argues “[t]he  
17 Ninth Circuit has not swept aside *Landis* in favor of *Colorado River*,” and that *Landis*,  
18 not *Colorado River*, provides the applicable standard for a stay here. Doc. # 35 at 9–11.

19 For the reasons described below, the Court agrees with Travelers that *Colorado*  
20 *River* provides the correct standard for the Motion, and since there is no dispute that  
21 Plaintiff cannot meet the *Colorado River* parallelism requirement, the Court **DENIES** the  
22 Motion.

### 23 **DISCUSSION**

#### 24 ***A. Colorado River is the Appropriate Standard Here, Not Landis***

25 “Generally, as between state and federal courts, the rule is that ‘the pendency of an  
26 action in the state court is no bar to proceedings concerning the same matter in the  
27 Federal court having jurisdiction.’” *Colorado River*, 424 U.S. at 817 (quoting *McClellan*  
28 *v. Carland*, 217 U.S. 268, 282 (1910)). The Ninth Circuit has held that “[a] district court

1 may, in its discretion, stay or dismiss a federal case in favor of related state proceedings’  
2 **in only two circumstances:** ‘(1) when an action seeks only declaratory relief, or (2)  
3 when exceptional circumstances exist [under *Colorado River*].’” *Ernest Bock, LLC v.*  
4 *Steelman*, 76 F.4th 827, 842 (9th Cir. 2023), *cert. denied*, 144 S. Ct. 554 (2024)  
5 (hereinafter, “*Ernest Bock*”) (quoting *Scotts Co. LLC v. Seeds, Inc.*, 688 F.3d 1154, 1158  
6 (9th Cir. 2012)) (emphasis added). Since Travelers seeks both declaratory and monetary  
7 relief in this action (see Compl., Prayer), *Colorado River* is the applicable doctrine here.

8 Under *Colorado River*, a stay of federal litigation in favor of state court  
9 proceedings “is the exception, not the rule.” *Colorado River*, 424 U.S. at 813. “Only the  
10 clearest of justifications will warrant” a stay, *id.* at 819, and the circumstances justifying  
11 a stay are “exceedingly rare,” *Smith v. Central Ariz. Water Conservation Dist.*, 418 F.3d  
12 1028, 1033 (9th Cir. 2005). In *Colorado River*, the Supreme Court recognized that in  
13 “exceptional circumstances,” *id.* at 813, “considerations of ‘[w]ise judicial  
14 administration, giving regard to conservation of judicial resources and comprehensive  
15 disposition of litigation’” can support a stay of federal litigation in favor of parallel state  
16 proceedings, *id.* at 817 (citation omitted). The Ninth Circuit has identified eight factors  
17 that determine whether a *Colorado River* stay is justified:

18 (1) which court first assumed jurisdiction over any property at stake; (2) the  
19 inconvenience of the federal forum; (3) the desire to avoid piecemeal  
20 litigation; (4) the order in which the forums obtained jurisdiction; (5)  
21 whether federal law or state law provides the rule of decision on the merits;  
22 (6) whether the state court proceedings can adequately protect the rights of  
the federal litigants; (7) the desire to avoid forum shopping; and (8) whether  
the state court proceedings will resolve all issues before the federal court.

23 *R.R. St. & Co. Inc. v. Transp. Ins. Co.*, 656 F.3d 966, 978–79 (9th Cir. 2011) (citation  
24 omitted). “The weight to be given to any one factor may vary greatly from case to case.”  
25 *United States v. State Water Res. Control Bd.*, 988 F.3d 1194, 1203 (9th Cir. 2021)  
26 (quoting *Moses H. Cone Memorial Hosp. v. Mercury Constr. Corp.*, 460 U.S. 1, 16  
27 (1983)). “Some factors may not apply in some cases,” but in other cases, “a single factor  
28 may decide whether a stay is permissible.” *Id.* (citation omitted). “The underlying

1 principle guiding this review is a strong presumption against federal abstention.” *Seneca*  
2 *Ins. Co. v. Strange Land, Inc.*, 862 F.3d 835, 842 (9th Cir. 2017). “Any doubt as to  
3 whether a factor exists should be resolved against a stay, not in favor of one.” *Travelers*  
4 *Indem. Co. v. Madonna*, 914 F.2d 1364, 1369 (9th Cir. 1990).

5 A district court possesses docket management powers, including the authority in  
6 certain circumstances to stay proceedings to efficiently manage the resources of the  
7 parties and the court. *Landis*, 299 U.S. at 255; *Ernest Bock*, 76 F.4th at 842. The test for a  
8 docket management stay pursuant to *Landis* is less stringent than the *Colorado River*  
9 doctrine. The Ninth Circuit has “identified three non-exclusive factors courts must weigh  
10 when deciding whether to issue a docket management stay: (1) ‘the possible damage  
11 which may result from the granting of a stay’; (2) ‘the hardship or inequity which a party  
12 may suffer in being required to go forward’; and (3) ‘the orderly course of justice  
13 measured in terms of the simplifying or complicating of issues, proof, and questions of  
14 law.’” *Id.* at 842 (quoting *Lockyer*, 398 F.3d at 1110).

15 District courts in the Ninth Circuit have reached different conclusions on whether a  
16 court could issue a docket management stay pursuant to *Landis* in favor of a related state  
17 court case if the *Colorado River* test is not satisfied.<sup>4</sup> The Ninth Circuit’s *Ernest Bock*  
18 opinion—which is binding on this Court—resolves this issue. There, the plaintiff had  
19 obtained a \$11.8 million judgment for breach of contract against the defendants in New  
20 Jersey state court. 76 F.4th at 832. The plaintiff then filed a federal suit in the District of  
21 Nevada, alleging that defendants and others had engaged in various transfers to shield  
22 assets from the New Jersey judgment. *Id.* While the federal suit was pending, the New  
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25 <sup>4</sup> See, e.g., *Avalonbay Communities, Inc. v. Contractors Bonding & Ins. Co.*, No. 2:21-CV-04389-SB  
26 (KSx), 2022 WL 2903142, at \*2 (C.D. Cal. May 6, 2022) (“Multiple courts have held that *Landis* does  
27 not allow a federal court to stay a case pending resolution of a related state action if the standard for  
28 *Colorado River* abstention is not met.”); *Amguard Ins. Co. v. Optima Funeral Home, Inc.*, No. CV 22-  
4179-MWF (JCx), 2022 WL 18142556, at \*3–4 (C.D. Cal. Nov. 29, 2022) (describing split of authority  
as to whether *Colorado River* is the exclusive standard governing a stay pending state court proceedings  
or whether a *Landis* stay remains available).



1 Jersey state court judgment was vacated on appeal and remanded for further proceedings.  
2 *Id.* The district court stayed the federal case pursuant to *Colorado River*, reasoning that it  
3 would be inefficient for both suits to proceed simultaneously. *Id.* The Ninth Circuit  
4 reversed, holding that a *Colorado River* stay cannot issue when the federal litigation  
5 would only be resolved by one of several possible outcomes in the state court  
6 proceedings. *Id.* at 841–42.

7 The Ninth Circuit also explicitly rejected the application of *Landis* as an alternative  
8 to the *Colorado River* doctrine: in a “case involv[ing] simultaneous and related federal  
9 and state actions, the proper analysis is under *Colorado River*, not *Landis*,” and “[a]  
10 docket management stay may not issue in favor of parallel state proceedings if the  
11 *Colorado River* factors do not support a stay.” *Ernest Bock*, 76 F.4th at 843 (internal  
12 quotation marks and citations removed); *see also*, *Travelers Cas. Ins. Co. of Am. v.*  
13 *LMID, Inc.*, No. 2:24-CV-01022-SB (JCx), 2024 WL 3529042, at \*2 (C.D. Cal. July 1,  
14 2024) (declining to apply *Landis* and denying motion to stay where defendant could not  
15 satisfy the *Colorado River* test); *Travelers Cas. & Sur. Co. v. Jokake Constr. Servs., Inc.*,  
16 No. 223CV06301-HDV (AGRx), 2024 WL 944230, at \*6 (C.D. Cal. Feb. 29, 2024)  
17 (same).

18 Accordingly, the Court finds that applying *Landis* is not appropriate here, and that  
19 the Motion should instead be assessed under the *Colorado River* doctrine.

20 **B. Mulhauser is not Entitled to a Stay Pursuant to *Colorado River* Because the**  
21 **Underlying Action is Not Sufficiently Parallel to this Case**

22 “Parallelism is a threshold requirement for a *Colorado River* stay.” *Ernest Bock*, 76  
23 F.4th at 838. A stay is not appropriate if there is any possibility of continued substantive  
24 federal litigation after the state court action is resolved. *Id.* at 841.  
25 If there is “substantial doubt” whether the “state court proceedings will resolve all of the  
26 disputed issues in [the federal case], “it would be a serious abuse of discretion” to grant a  
27 stay. *Ernest Bock*, 76 F.4th at 841. “[M]oving parties in this circuit cannot invoke  
28 *Colorado River* simply by showing that the state court action will simplify, or even

1 potentially resolve, the issues before the federal court. A state action is ‘parallel’ to a  
2 federal action only if it will *necessarily* resolve all substantive questions and leave the  
3 federal court with “nothing further to do.” *Travelers Cas. & Sur. Co*, 2024 WL 944230,  
4 at \*4. Where the parallelism factor is not met, it is unnecessary to weigh the other factors  
5 included in the *Colorado River* analysis. *United States v. State Water Res. Control Bd.*,  
6 988 F.3d 1194, 1208 (9th Cir. 2021).


7 Here, it is undisputed that the Underlying Action and this case are not parallel  
8 under the *Colorado River* doctrine. As Travelers notes in its opposition brief, “the issue  
9 of whether Travelers owes a duty to defend and indemnify Muhlhauser will not be  
10 litigated in the Underlying Action. The Underlying Action will not protect Travelers  
11 rights and will not resolve all of Travelers’ claims.” Doc. # 35 at 11. Muhlhauser  
12 concedes this point in its reply brief: “the Underlying Action does not center on or even  
13 address the issue of whether Travelers owes a duty to defend or indemnify, and . . .  
14 Travelers is not a party to the Underlying Action. Thus, the Coverage Action and  
15 Underlying Action are not parallel[.]” Doc. # 36 at 10. Accordingly, the Court finds that  
16 the federal and state proceedings are not sufficiently parallel to justify a stay pursuant to  
17 *Colorado River*.

18 **CONCLUSION**

19 Based on the foregoing, Mulhauser’s Motion is **DENIED**.

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21 **IT IS SO ORDERED**

22  
23 DATED: 7/25/25

24   
25 HON. CYNTHIA VALENZUELA  
26 UNITED STATES DISTRICT JUDGE  
27  
28